TEBRAU TEGUH BERHAD
(Company No. 8256-A)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2010

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTER**	
	Current quarter 30.09.10	**Previous year corresponding quarter 30.09.09 (restated)**	**9 months ended 30.09.10**	**9 months ended 30.09.09 (restated)**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	30,613	3,422	70,408	19,628
Cost of Sales	(27,549)	(3,115)	(63,618)	(15,763)
Gross Profit	3,064	307	6,790	3,865
Other operating income (Note 3)	1,564	12,559	2,488	12,689
Operating expenses	(2,285)	(1,457)	(5,568)	(4,849)
Profit from operations	2,343	11,409	3,710	11,705
Finance costs (Note 3)	(176)	(291)	(528)	(106)
Profit before taxation	2,167	11,118	3,182	11,599
Taxation (Note 19)	284	1,212	660	1,627
Profit for the period	2,451	12,330	3,842	13,226
Other comprehensive income net of tax	-	-	-	-
Total comprehensive income for the period	2,451	12,330	3,842	13,226
Profit and total comprehensive income attributable to :				
Owners of the Parent	2,451	12,330	3,842	13,226
EARNINGS PER SHARE				
Basic (sen)	0.37	1.84	0.57	1.98
Diluted (sen)	0.37	1.84	0.57	1.98

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

TEBRAU TEGUH BERHAD
(Company No. 8256-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010

	Unaudited as at 30.09.10 RM'000	Audited as at 31.12.09 (restated) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,184	1,436
Investment properties	884	1,062
Available-for-sale investment	90	90
Land held for future development	188,916	188,916
	191,074	191,504
CURRENT ASSETS		
Development properties	405,168	416,897
Inventories	547	1,798
Trade and other receivables	48,802	44,878
Cash and bank balances	34,895	18,366
	489,412	481,939
TOTAL ASSETS	**680,486**	**673,443**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	334,864	334,864
Reserves	165,863	162,021
Shareholders' equity	500,727	496,885
NON-CURRENT LIABILITIES		
Long term borrowings	3,158	10,188
Financial liabilities at amortised cost	9,907	9,424
Deferred taxation	120,947	121,607
	134,012	141,219
CURRENT LIABILITIES		
Trade and other payables	39,357	31,397
Short term borrowings	6,386	3,938
Tax payable	4	4
	45,747	35,339
TOTAL LIABILITIES	**179,759**	**176,558**
TOTAL EQUITY AND LIABILITIES	**680,486**	**673,443**
Net assets per share (RM)	0.75	0.74

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statement.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2010

	Share capital	Share premium	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000
At 1 January 2010	334,864	225,821	(64,375)	496,310
Effect of applying FRS 139			575	575
Restated balance	**334,864**	**225,821**	**(63,800)**	**496,885**
Total comprehensive income for the period	-	-	3,842	3,842
At 30 September 2010	334,864	225,821	(59,958)	500,727

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE CORRESPONDING QUARTER ENDED 30 SEPTEMBER 2009

	Share capital	Share premium	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000
At 1 January 2009	334,864	225,821	(78,003)	482,682
Total comprehensive income for the period	-	-	13,226	13,226
At 30 September 2009	334,864	225,821	(64,777)	495,908

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statement.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2010

	9 months ended 30.09.10 RM'000	**9 months ended 30.09.09 RM'000**
Net cash generated from/(used in) operating activities	21,148	11,737
Net cash generated from/(used in) investing activities	(37)	(204)
Net cash generated from/(used in) financing activities	(3,936)	(6,175)
Net increase/(decrease) in cash and cash equivalents	17,176	5,358
Cash and cash equivalents at beginning of year	17,719	26,248
Cash and cash equivalents at the end of quarter	34,895	31,606

Cash and cash equivalents comprise:

Cash and bank balances	21,192	3,833
Deposit with licensed banks	13,703	27,773
	34,895	31,606

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the annual audited financial statements for the year ended 31 December 2009.

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since year ended 31 December 2009.

2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009 except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2010.

(i) Adoption of New and Revised FRSs, IC Interpretations and Amendments

In the current period ended 30 September 2010, the Group adopted the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to its financial statements and are relevant to its operations:

FRS 7	Financial Instruments: Disclosures
FRS 8,	Operating Segments
FRS 101(revised)	Presentation of Financial Statements
FRS 123(revised)	Borrowing Costs
FRS 132(revised)	Financial Instruments: Presentation
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Impairment and Interim Financial Reporting
IC Interpretation 11	FRS 2, Group and Treasury Share Transactions
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flow
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 128	Investments in Associates
Amendment to FRS 131	Interest in Joint Ventures
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 140	Investment Property

2. CHANGES IN ACCOUNTING POLICIES (CONT'D)

Other than for the application of FRS 8, FRS 101 and FRS 139, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

(a) FRS 7 : Financial Instrument
The adoption of FRS 7 requires additional disclosures regarding fair value measurements and liquidity risk in the full year financial statements, and has no effect on reported profit or equity. However, FRS 7 disclosures are not required in the interim financial statements, and hence no further disclosures have been made in these interim financial statements.

(b) FRS 8 : Operating Segments
Prior to the adoption of FRS 8, the Group's segment reporting was based on a reporting format of business segments. FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decision on the allocation of resources and assesses the performance of the reportable segments. The comparatives of the preceding year corresponding period are re-presented to conform to the current presentation, as disclosed in Note 15.

(c) FRS 101 : Presentation of Financial Statements (revised)
Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, it separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

With the adoption of the revised FRS 101, a new capital disclosure is made to explain the Group's capital management objective. The details of the capital management disclosure are provided in Note 9.

(d) FRS 139 : Financial Instruments – Recognition and Measurement
FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the adoption of the standard, as at transitional date on 1 January 2010.

Financial assets
Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

(i) Loans and receivables
Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate (EIR) method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortization and impairment losses are recognized in the income statement.

(ii) Available-for-sale investment (AFS)
Prior to January 2010, AFS financial assets such as investments were accounted for at cost adjusted for amortization of premium and accretion of discount less impairment or at the lower of cost and market value, determined on an aggregate basis. Under FRS 139, AFS financial assets is measured at fair value initially and subsequently with amortisation of premium with accretion of discount and other accrual of income recognized in income statement and with unrealized gains or losses recognized as other comprehensive income in the AFS reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in the income statement or determined to be impaired, at which time the cumulative loss is recognized in the income statement and remove form the AFS reserve.

Financial liabilities
Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group's financial liabilities include trade and other payables are carried at amortised cost.

Impact on opening balance
In accordance with the transitional provisions of FRS 139, the above changes are applied and the comparatives as at 31 December 2009 are restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2010.

RM'000	As previously reported (audited)	Effects of adopting FRS 139	**As restated**
Assets			
Other investments	90	(90)	-
Available-for-sale investment	-	90	90
Liabilities			
Current liabilities			
Trade payables	41,397	(10,000)	31,397
Non-current liabilities			
Financial liabilities at amortised cost	-	9,424	9,424
Equity			
Retained earnings	161,446	575	162,021

3. COMPARATIVES

The following comparative amounts have been reclassified to be consistent with current period's presentation.

For the period ended 30 September 2009 RM'000	Income Statement As previously reported	Reclassification	After reclassification
Other operating income	12,268	(421)	12,689
Finance costs	-	106	106
Finance income/(costs), net	315	(315)	-

4. AUDITORS' REPORT OF THE PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2009

The Auditors' Report of the financial statements of the Company and of the Group for the year ended 31 December 2009 was not subject to any qualification.

5. SEASONAL OR CYCLICAL FACTORS

The Group's business operations are not seasonal but cyclical in nature, which is dependent on the economic conditions in Malaysia.

6. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review because of their nature, size, or incidence.

7. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in previous quarters of the current financial year or changes in estimates of amounts reported in prior financial years that have had a material effect in the current quarter.

8. DEBTS AND EQUITY SECURITIES

There were no issuances and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 31 December 2009.

9. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT

The Group's objectives of managing capital are to safeguard the Group's ability to continue in operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

For capital management purposes, the Group considers shareholders' equity, non-controlling interests and long-term liabilities to be the key components in the group's capital structure. The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as the total liabilities to total equity. Total equity is the sum of total equity attributable to shareholders and non-controlling interests. The Group's strategy is to maintain a gearing ratio of 30% to 50%.

The gearing ratios as at 30 September 2010 and 31 December 2009, which are within the Group's objectives for capital management, are as follows:-

	30/09/2010 RM'000	**31/12/2009 RM'000**
Total liabilities	179,759	176,558
Total equity	500,727	496,885
Total capital	680,486	673,443
Gearing ratio	36%	36%

There is no change in the gearing ratio in the current quarter ended 30 September 2010 as increase in liabilities is equal to the corresponding increases in comprehensive income. The details of the drawdown and the repayment of bank borrowings in the current quarter are as follows:

	Current year quarter 30/09/2010 RM'000	**9 months cumulative to date 30/09/2010 RM'000**
a) Drawdown on new bank borrowings	-	7,532
b) Repayment of bank borrowings	(4,416)	(10,164)

10. DIVIDENDS

No dividends are recommended, have been declared, or have been paid during the financial period ended 31 December 2009.

11. VALUATION OR PROPERTY, PLANT AND EQUIPMENT

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the year ended 31 December 2009.

12. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the end of the current quarter that have not been reflected in the quarterly financial statements.

13. GROUP COMPOSITION

There were no material changes in the composition of the Group during the financial quarter under review.

14. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

Contingent liabilities of the Group comprise the following:

	30.09.10 RM'000	**30.09.09 RM'000**
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries	93,350	93,350
- Current Exposure	9,272	12,527
Performance bond issued by subsidiaries involved in construction activities	29,350	29,350

15. OPERATING SEGMENTS

The following tables provide an analysis of the Group's revenue, results, assets and liabilities by business segments:-

As at 30 Sept 2010 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
Revenue					
Revenue	21,202	49,206	-	-	70,408
Inter-segment sales	-	1,910	-	(1,910)	-
Total revenue	21,202	51,116	-	(1,910)	70,408
RESULT					
Segment results	4,673	1,700	(7)	(1,881)	4,485
Unallocated corporate expenses					(775)
Finance costs					(528)
Profit before tax					**3,182**

As at 30 Sept 2009 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
Revenue					
Revenue	11,536	8,020	72	-	19,628
Inter-segment Sales	-	6,552	-	(6,552)	-
Total revenue	11,536	14,572	72	(6,552)	19,628
RESULT					
Segment Results	17,417	(111)	37	(4,951)	12,392
Unallocated corporate expenses					(688)
Finance costs					(105)
Profit before Tax					**11,599**

15. OPERATING SEGMENTS (CONT'D)

ASSETS AND LIABILITIES

As at 30 September 2010 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
ASSETS					
Segment Assets	610,959	76,912	273	(113,908)	574,236
Investment Properties					884
AFS Investments					90
Unallocated corporate assets					105,276
Consolidated total assets					**680,486**
LIABILITIES					
Segment Liabilities	(166,656)	(121,510)	(882)	113,908	(175,140)
Unallocated corporate liabilities					(4,619)
Consolidated Total liabilities					**179,759**

As at 30 September 2009 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
ASSETS					
Segment Assets	610,423	57,902	407	(118,552)	550,180
Investment properties					1,075
AFS investments					61
Unallocated corporate assets					101,726
Consolidated total assets					**653,042**
LIABILITIES					
Segment liabilities	(186,843)	(83,807)	(865)	118,552	(152,963)
Unallocated corporate liabilities					(4,171)
Consolidated total liabilities					**157,134**

16. REVIEW OF PERFORMANCE

(i) Comparison with the preceding quarter

The Group recorded higher gross profit in the current quarter ended 30 September 2010 as compared to preceding quarter ended 30 June 2010 due to increasing construction activities and delivery of vacant possession for Phase 2 of The Oasis @ Bayu Puteri.

(ii) Comparison with the previous corresponding quarter.

The Group has recorded higher revenue in the current quarter ended 30 September 2010 as compared to the previous corresponding quarter ended 30 September 2009 due to increasing construction activities.

17. PROSPECTS

In view of the current recessionary economic environment, the Group continues to adopt a cautious approach with a concerted effort towards cost efficiency and innovative marketing strategy.

The Group had re-launched Phase 1 of Puteri Point Commercial Park with a Gross Development Value of RM11 million in October 2010. The first phase consists of 13 units of shop office and expected to be completed within 24 months period.

The Group is also expected to launch it latest residential development, The Botanica @ Bayu Puteri in the fourth quarter 2010. The development consists of 544 residential units with estimated Gross Development Value of RM165 million which to be developed over 5 years.

The Group is currently focusing to complete the RM303 million contract awarded by Johor State Secretary Incorporated on 16 January 2009. The construction period is 36 months and is targeted to complete in early 2012.

18. PROFIT FORECAST

The Group has not provided any profit forecast in a public document.

19. TAXATION

	Current year quarter 30.09.2010 RM'000	9 months cumulative to date 30.09.2010 RM'000
Current income tax :		
Malaysian Income Tax	-	-
Under/(Over) provision in prior year	-	-
Transfer to/(from) deferred taxation	(284)	(660)
	(284)	(660)

20. UNQUOTED INVESTMENTS AND PROPERTIES

There were no purchases or sales of unquoted investments and properties for the current quarter and financial year to date.

21. QUOTED INVESTMENTS

There were no purchases or sale of quoted securities for the current quarter and financial year to date.

There were no investments in quoted securities as at the end of the current quarter.

22. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals involving the company as at the end of the current quarter.

23. BORROWING AND DEBT EQUITIES

Details of the Group's borrowings as at 30 September 2010 are as follows:

	Current RM'000	Non current RM'000	Total RM'000
Bridging loans (secured) – Note 1	-	2,970	2,970
Contract Financing (secured) – Note 2	6,302	-	6,302
Hire purchase & leasing liabilities	84	188	272
Total	6,385	3,158	9,544

Note 1 : As at 30 September 2010, RM28.20 million has been drawn down from the Bridging Loan facilities of RM35 million under the Principle of Bai'bithaman Ajil with Bank Kerjasama Rakyat Malaysia Bhd. Approximately RM25.2 million has been repaid through the redemption from sale of development properties products. The non-current portion of the bridging loan due to be fully repaid by 2012.

Note 2 : As at 30 September 2010, RM9.8 million has been drawn down from the Short Term Advance facility of RM16 million. The facility is being repaid through direct deduction from contract proceed and it is expected to be fully repaid by 2011.

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off-balance sheet financial instruments.

25. DERIVATIVES

a. There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at the end of the quarter ended 30 September 2010; and

b. The Group has not entered into a type of derivatives not disclosed in the previous financial year or any of the previous quarters under the current financial year.

26. GAINS/LOSSES ARISING FROM FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The type of financial liabilities from which the gains/losses arose is as follows:

Type of financial liabilities subject to fair value changes	Explanation on changes in fair value	Basis of fair value changes	Carrying amount RM'000	Fair Value RM'000	Fair value gain/(loss) RM'000
Project Advance from Client	Interest Free Advance	Current market interest rate	10,000	9,098	902

27. MATERIAL LITIGATION

There is no material litigation.

28. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 30 September 2010 (31 December 2009 : Nil).

29. EARNINGS PER SHARE

The basic earnings per share for the financial period has been calculated based on the Group's earnings after taxation and divided by the 669,727,143 ordinary shares of RM0.50 each in issue during the financial period.

30. STATUS OF JOINT VENTURE PROJECTS

Following is the status of the existing joint venture projects as at 30 September 2010:

	Paradise Realty Sdn. Bhd.
Development Status Total land area	20.324 acres
% land under development	94.63%
Joint Venture Consideration Amount invoiced (RM'000)	4,068
Amount collected (RM'000)	(3,838)
Outstanding as at 30 September 2010 (RM'000)	230

31. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 15 November 2010.